

CHAPTER NO. 632

SENATE BILL NO. 2552

By Ketron, Southerland, McLeary

Substituted for: House Bill No. 2866

By DuBois

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 32, Part 1, relative to residential mortgages.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-32-102(2), is amended by deleting the subdivision in its entirety and substituting instead the following language:

(2) "Disbursement of loan funds" means the delivery of the loan funds by the mortgage lender to the settlement agent in one (1) or more of the following forms:

(A) Cash;

(B) Federal funds wire transfer including electronic payment as defined in Federal Reserve Regulation CC (12 CFR Section 229.2(p));

(C) Checks issued by the State of Tennessee or a political subdivision of the state;

(D) Cashier's check as defined in 12 CFR 229.2(i);

(E) Teller's check as defined in 12 CFR 229.2(gg) that is issued by a financial institution and drawn or payable through a financial institution;

(F) Checks issued by an instrumentality of the United States organized and existing under the Farm Credit Act of 1971, as amended;

(G) A direct deposit by a financial institution to the account of a settlement agent held in the same institution; or

(H) Checks issued from the escrow or trust account of a real estate broker licensed pursuant to § 62-13-101, et seq., and drawn on or payable through a financial institution within the same Federal Reserve check processing region as the location of the settlement agent in an amount not to exceed the earnest money paid by the purchaser and collected in such fiduciary account;

SECTION 2. Tennessee Code Annotated, Section 47-32-102, is amended by adding the following language as a new, appropriately designated subdivision thereto:

() "Commercial real estate" means any real estate used for any business purpose including one (1) to four (4) residential units or parcels of unimproved, residential property sold to a person for the purpose of constructing, renovating or developing such property for resale or lease.

SECTION 3. This act shall take effect on July 1, 2006, the public welfare requiring it.

PASSED: April 27, 2006



JOHN S. WILDER
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of May 2006



PHIL BREDESEN, GOVERNOR